

**Maryland Task Force  
on the  
Principalship**

**Compensation Workgroup**

**Adopted by the  
Maryland State Board of Education  
March 28, 2001**

# MARYLAND STATE BOARD OF EDUCATION

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## **Executive Summary**

### **Recommendations for Local School System:**

1. LSSs should establish a principals' salary scale that has as its minimum entry point the equivalent of what the highest paid twelve-month teacher would be compensated plus an absolute minimum of 10%.
2. LSSs should provide additional compensation beyond the steps on its salary scale for principals based on the size of the school assigned, the organizational level (elementary, middle, high school), and staffing patterns within that building.
3. LSSs should provide additional compensation for principals due to defined needs in a specific school based on established priorities that are clearly communicated in advance and the achievement of those priorities.
4. LSSs should provide a multi-year commitment (no less than three, but five preferred) and additional compensation for principals who take on difficult challenges and who meet established priorities.
5. LSSs , based on local fiscal capacity, should include additional compensation/benefits for all principals consistent with LSS collective bargaining agreements:
  - Health Insurance
  - Life Insurance
  - Disability Insurance
  - Deferred Compensation
  - Sabbatical Leave
  - Dues/Membership in professional organizations
  - Technology (e.g., laptops, cell phones, palm pilots)
  - Professional Development Opportunities
  - National/State Conferences

### **Recommendations for the Maryland State Department of Education:**

1. MSDE should work to include special consideration for principals to improve their retirement income through the state retirement/pension system.
2. MSDE should provide additional compensation through a block grant program for principals who are assigned to a reconstitution-eligible, alert, or other specially designated/challenging school and who meet established priorities.
3. MSDE should create an incentive fund to provide additional compensation for principals who demonstrate increased skills through state-sponsored professional development programs and/or achieve national certification.

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## **Introduction**

**T**he 1998 NAESP/NASSP/ERS study identified “salary/compensation not sufficient as compared to responsibilities” as the leading factor that discouraged people from applying for a principalship. The most significant finding from the survey used in this study was the consistency of responses from principals across community type and grade-level subgroups. It should also be noted that this same consistency is true in identifying “job too stressful” and “too much time required” as the second and third factors respectively.

The research is rich with documentation that states that high performing schools are led by effective principals. However, as the stakes intensify and accountability becomes the watchword, each Maryland local school system has indicated a rising demand for quality leadership in its schools. The shortage not only exists in Maryland. In a 1998 survey of 403 school district superintendents, half reported a shortage of qualified candidates for principal vacancies. This situation will worsen by 2005. These shortages along with increasing demands of the job, including increased accountability, inadequate support, lack of parent and community support, skepticism regarding public schools, and lack of respect, will make the job of securing qualified school-based leadership even more difficult.

It is with these understandings that the workgroup studied vigorously numerous models and options for MSDE’s review. We have defined a proposal for increased compensation that must be viewed as a compensation model and as an academic intervention initiative. “Every Child Achieving” supports and defines this need. This model, if implemented in conjunction with those recommendations for sustained staff development and redefinition of the role of the principalship, will serve to attract, retain, and reward principals. This workgroup recognizes that there are readily apparent differences in the financial condition among the twenty-four school districts. We did not feel it would be possible to address those differences in the amount of time we had to prepare our report. Thus we concentrated on the general themes which we thought needed to be addressed in all local school systems based on their own local financial situations.

## **The Charge for the Workgroup**

**T**he charge of this workgroup was to develop a model principal’s compensation package as a comparative standard for evaluating principals’ salaries and benefits across Maryland.

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## **The Goal**

**T**he goal of this workgroup in developing this model was to identify specific compensation components that would attract, retain, and reward high-performing principals.

## **Workgroup Invitees**

**T**he following organizations were invited to participate:

Baltimore Teachers' Union (BTU)  
Maryland Association of Boards of Education (MABE)  
Maryland Association of Elementary School Principals (MAESP)  
Maryland Association of Personnel Administrators (MASPA)  
Maryland Association of Secondary School Principals (MASSP)  
Maryland Business Roundtable (MBRT)  
Maryland Council of PTAs (MCPTA)  
Maryland Negotiations Service (MNS)  
Maryland State Department of Education (MSDE)  
Maryland State Teachers Association (MSTA)  
Public School Superintendents' Association of Maryland (PSSAM)

## **Workgroup Members**

Bernard Sadusky, (Chair), Superintendent of Schools, Queen Anne's County  
Debbie Bostian, President, Maryland Council of PTAs  
Tom Bowman, Principal, Thomas Johnson Elementary School  
Vaugh Brown, Board member, Anne Arundel County Public Schools  
Jerry DeGrange, Principal, Yellow Springs Elementary School  
Sharon Doyle, Supervisor of Teacher Personnel, Anne Arundel County Public Schools  
James V. Foran, Director of High School and Postsecondary Initiatives, MSDE  
Warren Hamilton, Maryland Business Roundtable  
Edward Horsey, Baltimore Teachers' Union  
Kent Kreamer, Assistant Principal, Westminster High School  
Bronda Mills, Director of Middle School Initiatives, MSDE  
James Orr, Maryland Negotiations Service  
Marshall Peterson, Principal, Oakland Mills High School

## **Meeting Dates**

October 31, 2000	November 20, 2000
November 6, 2000	November 27, 2000
November 13, 2000	December 4, 2000

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## **Recommendations for Local School Systems**

- 1. LSSs should establish a principals' salary scale that has as its minimum entry point the equivalent of what the highest paid twelve-month teacher would be compensated plus an absolute minimum of 10%.**

**Discussion:**

**B**eing able to entice principal candidates requires financial remuneration beyond that which a classroom teacher can earn by getting a part-time job or by becoming a twelve-month instructional employee of some kind. Why would anyone want to put up with the headaches of being an administrator for little financial reward? Likewise, if a teacher can teach several classes a day, coach after school, and/or earn sufficient money in a summer job, there simply is no financial incentive for potential candidates to move into administration.

Additionally, at least at the secondary level, the reality is that before a teacher becomes a principal he/she most often moves through the ranks by becoming an assistant administrator first. This workgroup did not address assistant administrator salaries, but it stands to reason that a potential assistant administrator would need to have a financial incentive to move into administration. Thus in reality, the assistant administrators salary would likely be the 10% above the twelve-month teacher's salary, with the principal's compensation being even higher. The entire point of this recommendation is that local school systems must create a salary scale for administrators that makes it worthwhile to move into such assignments. Money does matter.

- 2. LSSs should provide additional compensation beyond the steps on its salary scale for principals based on the size of the school assigned, the organizational level (elementary, middle, high school), and staffing patterns within that building.**

**Discussion:**

**T**he size of the school to which the principal is assigned increases the complexity of the operation of that school. Some school systems define size by the number of students. Others define size of the school by number of staff. Regardless the end result is the same. There are more students to deal with, more teachers to supervise, more employees for which to be responsible, larger facilities to manage, a greater budget to monitor, etc. The simple truth is that with more responsibility should come more compensation as it does in private industry. Many jurisdictions already compensate principals based on the size of the school. However, this workgroup suggests that all LSSs review their current practices in this regard to assure that such compensation indeed exists where it is now absent and to make certain that current practices actually reflect differing complexities of an assignment.

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The organizational level of the assignment often, but not always, equates to size. Elementary schools tend to be smaller while high schools tend to be larger. However, the differences do not stop with size. Students at all levels can be disruptive, but such disruption at the upper grades can easily degenerate into violence. The principal is often in the middle of such situations. Such examples of exposure to possible personal harm cannot go unrecognized. Nor can the other very real problems that older students tend to bring to school (e.g., weapons, drugs, community problems) more often than their younger counterparts. Additionally, the number of night activities for which high school administrators are responsible increase exponentially in comparison to their elementary counterparts. The truth is that principals at all levels face extraordinary challenges. But organizational level must be one factor to which local school systems must pay particular attention if they are to attract the very best candidates. Different organizational levels place different kinds of demand on principals. Local school systems must recognize the extraordinary nature of some of these demands as they design compensation packages.

3. **LSSs should provide additional compensation for principals due to defined needs in a specific school based on established priorities that are clearly communicated in advance and the achievement of those priorities.**

Discussion:

Each school system has unique circumstances, and many schools within each jurisdiction also have their own distinct characteristics. When a school system determines that a particular school has such distinct characteristics and that special attention is required to turn the situation around, it needs to communicate those needs to the assigned principal in advance of the appointment. Through a conference with the immediate supervisor, priorities for that school should be clearly delineated and communicated with the principal.

Because of the special nature of that particular situation, the local school system should find some means of providing additional compensation or reward for achieving specified goals. This may come in the way of additional salary or some other kind of recognition that would not otherwise be part of the compensation package. This compensation would not necessarily be ongoing. It could simply be in the nature of a reward for turning around unique circumstances in a particular school.

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4. **LSSs should provide a multi-year commitment (no less than three, but five preferred) and additional compensation for principals who take on difficult challenges and who meet established priorities.**

**Discussion:**

All school systems from time to time have difficult assignments for which they require a particularly outstanding principal. However, these situations likely did not become as serious as they now may be overnight, nor should anyone expect a quick fix. Change takes time. Turning around a difficult school is an enormous task that should not be minimized. A principal assigned to such a school should receive a long-term commitment from the school district. This commitment should be a minimum of three years, but the workgroup would prefer five years except in exigent circumstances.

Certainly accountability should follow this as well as any other kind of assignment, but it is especially difficult to achieve positive gains in the short run in a challenging school without possibly sacrificing long-term benefits. It may in fact take a year to bring such schools under control, before sustained academic achievement is even possible. Principals who take on such assignments should receive additional compensation based on achievement of such goals and be armed with a long-term commitment from the school system.

5. **LSSs , based on local fiscal capacity, should include additional compensation/benefits for all principals consistent with LSS collective bargaining agreements:**

- **Health Insurance**
- **Life Insurance**
- **Disability Insurance**
- **Deferred Compensation**
- **Sabbatical Leave**
- **Dues/Membership in professional organizations**
- **Technology (e.g., laptops, cell phones, palm pilots)**
- **Professional Development Opportunities**
- **National/State Conferences**

**Discussion:**

Local school systems have a variety of ways that they can put together a total compensation package for principals. Such compensation does not always have to come in the form of salary and benefits. It often also includes perquisites and incentives. Certainly there are limitations within jurisdictions caused by negotiated agreements. However, in this day of diminishing interest in qualified candidates moving into the principalship, school systems need to think “outside of the box” for ways to show principals how important they are to the school system. As



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stated earlier, there are obvious differences across school systems regarding their ability or willingness to compensate principals. This workgroup thought it would be impossible to address those differences in the amount of time we had to prepare our report. Thus we concentrated on the general themes which we thought needed to be addressed in all local school systems based on their own local financial situations.

In many jurisdictions, the principals are in a different bargaining unit from other employees. In these systems, there is considerable flexibility to determine additional ways to attract and keep qualified candidates for the principalship. Certainly, providing a competitive salary and a standard package of benefits is one way. But there are a variety of other opportunities for such school systems to recognize the importance of these positions outside of the normal channels. Many of those are listed above as examples.

In those jurisdictions where principals are part of the same bargaining unit as teachers, the task is more difficult. However, it is not impossible. There may be ways of providing principals with memberships in professional organizations and attendance at national and state conferences at no cost. There may be opportunities to provide principals with technology for their use such as laptop computers and Palm Pilot organizers. There may be opportunities for other kinds of professional development that could be provided for which the principal may otherwise have to pay out of his/her own pocket. The short of it is that local school systems need to look for as many ways as possible to compensate principals outside of the normal salary and benefits structure where such a structure inhibits additional financial remuneration.

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## **Recommendations for the Maryland State Department of Education**

- 1. MSDE should work to include special consideration for principals to improve their retirement income through the state retirement and pension system.**

**Discussion:**

**T**he Maryland State Department of Education is in a unique position to do something extraordinarily significant to help attract, retain, and reward principals. One of the ways this can be done is through finding ways to enhance the state retirement and pension system. For instance, principals work a twelve-month year yet get the same year's worth of credit towards retirement as a ten-month employee. Is there a way in which that might be addressed so that principals are given some kind of weighted retirement credit? There are likely to be a variety of other ways that the State Retirement System can be adjusted to help in this effort. We simply cannot afford to leave any stone unturned in our quest to fill the huge number of vacancies that are on the horizon. Retirement/pension incentives are one possible way of addressing this issue.

- 2. MSDE should provide additional compensation through a block grant program for principals who are assigned to a reconstitution-eligible, alert, or other specially designated/challenging school and who meet established priorities.**

**Discussion:**

**T**he Maryland State Department of Education has established reconstitution-eligible and alert school status as a way in which to help get schools around the state to where they need to be in terms of student performance. Although such status puts local school systems and individual schools on notice that improvement is necessary, the amount of effort required of a principal to make this happen is simply extraordinary. This workgroup believes that principals assigned to such schools should receive additional compensation, and that part of that compensation should come from the State through some kind of block grant program. It is very difficult to get principals to be willing to assume such assignments, and the State need to assist local jurisdictions in this regard.

There may well be other criteria for principals to be rewarded through such a program (e.g., performance in a school that has a high percentage of free and reduced lunch students). The point is that along with increased state accountability requirements should come some assistance from the State for principals who are assigned to schools that provide unique challenges. The workgroup recognizes that there is not

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an unlimited pot of funds into which the State may tap. However, the workgroup also wishes to affirm that the accountability program is a State accountability program, and the State thus has some responsibility for helping local jurisdictions deal with the unique local problems they face in achieving the results the State wishes to achieve. Local budgets are likewise stretched to the maximum, and there needs to be some shared responsibility for local school systems and schools that are struggling to meet state accountability requirements.

- 3. MSDE should create an incentive fund to provide additional compensation for principals who demonstrate increased skills through state-sponsored professional development programs and/or achieve national certification.**

Discussion:

Sustained and quality professional development for principals is absolutely necessary if Maryland is to see continuous growth in student achievement over the next few years. This professional development may even be more important than ever before in the history of the State because of emerging accountability requirements at the same time we are witnessing an extraordinary number of retirements among the ranks of principals. We are going to have fewer and younger candidates. They will not have had the seasoning that previous cohorts of principals have had. They will require considerably more training initially and long-term than their recently retired counterparts. In short we are facing a professional development crisis for principals across the State, and we must be aggressive in dealing with this situation.

This workgroup believes that the State must assume part of the responsibility for assisting with this professional development crisis. There are at least two ways this can happen. The first is to significantly expand the professional development opportunities available to principals. It appears that the State has recently made great strides in that regard, and we hope those advances will continue. However, providing such opportunities though necessary will not be sufficient. Younger candidates for the principalship are most often not at the upper end of the salary scale and thus have fewer resources to commit to their own professional development, particularly in an intense manner. Thus the second way in which the State can assist is to provide some kind of incentive for such professional development either through free or pre-paid conferences or some type of stipend to encourage participation. To the extent that national certification becomes available and widely accepted, the State should somehow assist potential candidates financially or provide some kind of monetary reward for completion of such programs.

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## **Conclusion**

**M**aryland public education faces an alarming leadership crisis, and such times require bold, new initiatives. The key to sustained growth in student achievement in our State rests with the quality of the leadership in our school buildings. We are in very real danger of not having a sufficient quantity of qualified and interested candidates for the principalship. Local school systems and the Maryland State Department of Education have a shared interest and responsibility for addressing this issue. Providing appropriate compensation, benefits, perquisites, and incentives is absolutely necessary if we are to solve this long-term, serious problem. These are not the only issues that need to be addressed, but they are certainly primary ones. It is time for action; our children cannot wait.